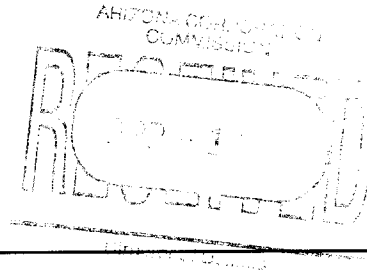


ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL - MAKE CHANGES AS NECESSARY

G-01032B
CITIZENS COMMUNICATIONS COMPANY-ARIZONA GAS DIVISIONS
1250 POYDRAS STREET, SUITE 2300
NEW ORLEANS, LA 70113



ANNUAL REPORT

*270-111
4-2-03
C.
2002 statement
with update
C.M.*

FOR YEAR ENDING

12	31	2002
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FOR COMMISSION USE

ANN 0402

COMPANY INFORMATION

Company Name (Business Name) Citizens Communications Company - Arizona Gas Divisions
(Northern Arizona Gas Division & Santa Cruz Gas Division)

Mailing Address 1250 Poydras Street, Suite 2300
(Street)

New Orleans LA 70113
(City) (State) (Zip)

(504) 299-4503 (504) 544-5817
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address NSanabri@czn.com

Local Office Mailing Address 2901 West Shamrell Blvd., Suite 110
(Street)

Flagstaff AZ 86001
(City) (State) (Zip)

(928) 226-2233 (928) 226-2203 (928) 853-4922
Local Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address gasmith@czn.com

MANAGEMENT INFORMATION

Management Contact: Nolie Sanabria-Rountree Director
(Name) (Title)

1250 Poydras Street, Suite 2300 New Orleans LA 70113
(Street) (City) (State) (Zip)

(504) 299-4503 (504) 544-5817
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address NSanabri@czn.com

On Site Manager: Gary A. Smith V.P. & General Manager
(Name) (Title)

2901 West Shamrell Blvd., Suite 110 Flagstaff AZ 86001
(Street) (City) (State) (Zip)

(928) 226-2233 (928) 226-2203 (928) 853-4922
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address gasmith@czn.com

STATUTORY AGENT:C T Corporation System

(NAME)

3225 N Central Ave.

(Street)

Phoenix

(City)

AZ

(State)

85012

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

ATTORNEY:L. Russell Mitten, SVP, Gen Counsel & Asst Sec.

(NAME)

3 High Ridge Park

(Street)

Stamford

(City)

CT

(State)

06905

(Zip)

(203) 614-5047

Telephone No. (Include Area Code)

(203) 614-4651

Fax No. (Include Area Code)

(800) 946-4645

Pager/Cell No. (Include Area Code)

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)☐ C Corporation (C) (Other than Association/Co-op)☐ Partnership (P)☐ Subchapter S Corporation (Z)☐ Bankruptcy (B)☐ Association/Co op (A)☐ Receivership (R)☐ Limited Liability Company☒ Other (Describe) a division of Citizens Communications Company**COUNTIES SERVED**

Check the following box that applies to your company:

☐ APACHE☐ COCHISE☒ COCONINO☐ GILA☐ GRAHAM☐ GREENLEE☐ LA PAZ☐ MARICOPA☒ MOHAVE☒ NAVAJO☐ PIMA☐ PINAL☒ SANTA CRUZ☒ YAVAPAI☐ YUMA☐ STATEWIDE

SERVICES AUTHORIZED TO PROVIDE

Check the following box/s for the services that you are authorized to provide:

- | | |
|---|--|
| <input type="checkbox"/> Electric | <input type="checkbox"/> Telecommunications |
| <input type="checkbox"/> Investor Owned Electric | <input type="checkbox"/> Incumbent Local Exchange Carrier |
| <input type="checkbox"/> Rural Electric Cooperative | <input type="checkbox"/> Interexchange Carrier |
| <input type="checkbox"/> Electric Service Provider | <input type="checkbox"/> Competitive Local Exchange Carrier |
| <input type="checkbox"/> Transmission Service Provider | <input type="checkbox"/> Reseller |
| <input type="checkbox"/> Utility Distribution Company | <input type="checkbox"/> Alternative Operator Service Provider |
| <input type="checkbox"/> Meter Service Provider | |
| <input type="checkbox"/> Meter Reading Service Provider | <input checked="" type="checkbox"/> Gas |
| <input type="checkbox"/> Billing and Collection | <input checked="" type="checkbox"/> Natural Gas |
| <input type="checkbox"/> Ancillary Services | <input type="checkbox"/> Propane |

☐ Other (Specify) _____

STATISTICAL INFORMATION

TELECOMMUNICATION UTILITIES ONLY

Total residential access lines	NA _____
Total business access lines	NA _____
Total revenue from Arizona operations	\$ _____
Total income from Arizona operations	\$ _____
Value of assets used to serve Arizona customers	\$ _____
Accumulated depreciation associated with those assets	\$ _____

STATISTICAL INFORMATION (CONT'D)

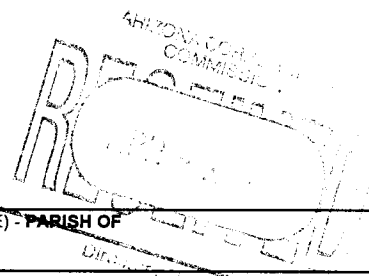
ELECTRIC UTILITY PROVIDERS ONLY

Total number of customers	NA
Residential	
Commercial	
Industrial	
Public street and highway lighting	
Irrigation	
Resale	
Total kilowatt-hours sold	kWh
Residential	
Commercial	
Industrial	
Public street and highway lighting	
Irrigation	
Resale	
Maximum Peak Load	MW

GAS UTILITIES ONLY

Total number of customers	126,925
Residential	115,530
Commercial	10,402
Industrial	22
Irrigation	8
Resale	
Total therms sold	104,867,280 therms
Residential	65,648,600
Commercial	29,392,090
Industrial	3,311,970
Irrigation	158,710
Resale	

**VERIFICATION
AND
SWORN STATEMENT
INTRASTATE REVENUES ONLY**



VERIFICATION

STATE OF Louisiana

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) - PARISH OF	
Orleans	
NAME (OWNER OR OFFICIAL)	TITLE
Dan McCarthy	President and Chief Operating Officer
COMPANY NAME	
Arizona Gas Division	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2002

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

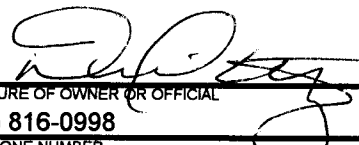
SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2001 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)
<u>\$97,081,335</u>

**(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 8,220,169
IN SALES TAXES BILLED, OR COLLECTED**

★★ REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)


 SIGNATURE OF OWNER OR OFFICIAL
 (360) 816-0998
 TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

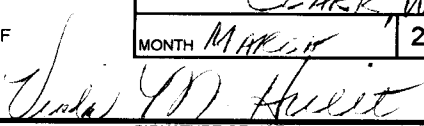
THIS

CLARK

DAY OF

COUNTY NAME	CLARK WA
MONTH	MARCH 2003

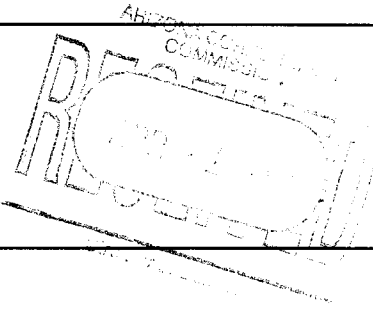
(SEAL)


 SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES

12/31/04

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**



STATE OF Louisiana

I, THE UNDERSIGNED

OF THE

(COUNTY NAME) - PARISH OF <u>Orleans</u>	
NAME (OWNER OR OFFICIAL) <u>Dan McCarthy</u>	Title <u>President and Chief Operating Officer</u>
COMPANY NAME <u>Arizona Gas Division</u>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2002</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

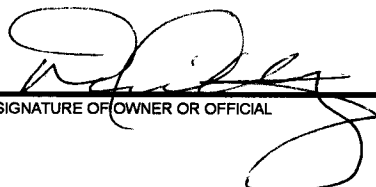
SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2001 WAS:

Arizona IntraState Gross Operating Revenues <u>\$56,955,075</u>
--

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$5,268,672
IN SALES TAXES BILLED, OR COLLECTED

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

x 
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF
THIS 31st DAY OF

(SEAL)

MY COMMISSION EXPIRES 10/20/04

NOTARY PUBLIC NAME <u>Vivian M. Hurlit</u>	
COUNTY NAME <u>Clark, WA</u>	
MONTH <u>MARCH</u>	YEAR <u>2003</u>

x 
SIGNATURE OF NOTARY PUBLIC

FINANCIAL INFORMATION

Attach to this annual report a copy of the companies' year-end (Calendar Year 2002) financial statements. If you do not compile these reports, the Utilities Division will supply you with blank financial statements for completion and filing. **ALL INFORMATION MUST BE ARIZONA-SPECIFIC AND REFLECT OPERATING RESULTS IN ARIZONA.**

Citizens Communications Company
1250 Poydras Street, Suite 2300
New Orleans, LA 70113
504-299-4503



March 3, 2003

ARIZONA CORPORATION COMMISSION
COMPLIANCE SECTION, UTILITIES DIVISION
1200 WEST WASHINGTON STREET
PHOENIX, AZ. 85007

RE: 2002 UTILITY ANNUAL REPORT
CITIZENS COMMUNICATIONS COMPANY
ARIZONA GAS DIVISION

Dear Sir or Madam:

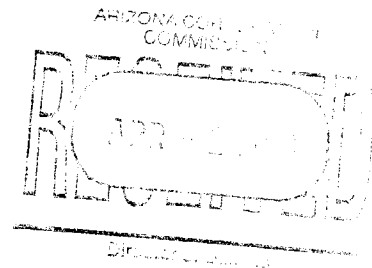
Enclosed please find original Utility Annual Report for the Arizona Gas Division including Santa Cruz Gas and Northern Arizona Gas combined. This Annual Report is for the fiscal year ended December 31, 2002.

If any additional information is needed, please do not hesitate to call me.

Very Truly Yours,

Nolie Sanabria-Rountree
Director
Citizens Communications Company

Enclosures



Citizens Communications Company
1450 Poydras Street, 19th Floor
New Orleans, LA 70112
504-299-4553



March 31, 2003

ARIZONA CORPORATION COMMISSION
COMPLIANCE SECTION, UTILITIES DIVISION
1200 WEST WASHINGTON STREET
PHOENIX, AZ. 85007

RE: 2002 UTILITY ANNUAL REPORT
CITIZENS COMMUNICATIONS COMPANY
ARIZONA GAS DIVISION

Dear Sir,

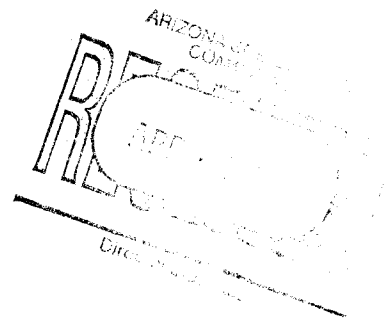
Enclosed please find original Utility Annual Report for the Arizona Gas Division including Santa Cruz Gas and Northern Arizona Gas combined. This Annual Report is for the fiscal year ended December 31, 2002.

If any additional information is needed, please do not hesitate to call me.

Very Truly Yours,

Jayson Ecuyer
Director
Citizens Communications Company

Enclosures



Citizens Utilities Company
Santa Cruz County Gas to Northern Arizona Gas
December 31, 2002

December 31, 2002	November 30, 2002	Var	% Var	Assets	December 31, 200	Var	% Var
264,542,451	261,607,775	2,936,676	1.12%	Plant in Service	253,786,705	10,757,745	4.24%
1,571,484	3,661,717	(2,090,233)	-57.08%	Construction Work in Progress	2,527,569	(756,085)	-32.48%
(60,219,786)	(59,574,305)	(645,481)	1.08%	Accumulated Depreciation	(55,356,498)	(4,863,289)	8.79%
205,896,148	205,695,186	200,962	0.10%	Utility Plant	200,757,776	138,372	2.55%
415,608	156,237	259,371	166.01%	Cash	137,005	258,603	164.71%
0	0	0	0.00%	Temporary Investments	0	0	0.00%
0	0	0	0.00%	Notes Receivable	0	0	0.00%
12,992,843	11,428,848	1,563,995	13.68%	Accounts Receivable	15,409,139	(2,416,296)	-15.68%
(51,822)	(55,616)	3,794	-6.82%	Accum Prov for Uncoll account	(696,971)	645,149	-92.56%
716,083	779,504	(43,421)	-5.57%	Materials and Supplies	951,443	(215,360)	-22.64%
66,282	67,871	(1,589)	-2.34%	Prepayments	8,576	57,706	672.88%
48,186	16,209	31,977	197.28%	Misc Curr and Acct Liabilities	138,292	(90,106)	-65.16%
14,207,179	12,393,052	1,814,127	14.64%	Current Assets	15,967,484	(1,760,305)	-11.02%
(186,590,910)	(191,474,083)	6,883,173	-3.56%	Accts Rec - Assoc Companies	(216,350,213)	29,759,303	-13.76%
11,088,691	9,945,303	1,143,389	11.50%	Misc Deferred Debits	39,824,962	(28,736,271)	-72.16%
468,419	469,459	(1,040)	-0.22%	Extraordinary Property Losses	480,899	(12,480)	-2.60%
0	0	0	0.00%	Unrecovered Purchased Gas Co	0	0	0.00%
4,059,520	335,869	3,723,651	1108.66%	Accum. Def Income Taxes	335,869	3,723,651	1108.66%
(170,974,280)	(182,723,455)	11,749,175	-6.43%	Deferred Dr & Other Assets	(175,708,483)	4,734,203	-2.69%
49,129,048	35,364,784	13,764,264	38.92%	Total Assets	41,016,778	8,112,270	19.78%
0	0	0	0.00%	Stockholders Equity	0	0	0.00%
3,054,997	2,268,602	786,395	34.66%	Current Year Net Income	(2,091,156)	5,146,154	-246.09%
3,054,997	2,268,602	786,395	34.66%	Stockholders Equity	(2,091,156)	5,146,154	-246.09%
(12,025,492)	(7,686,819)	(4,338,674)	56.44%	Accounts Payable	(12,556,034)	530,542	-4.23%
(2,020,364)	(1,976,090)	(44,274)	2.24%	Customer Deposits	(1,884,152)	(136,212)	7.23%
(3,609,499)	(1,398,891)	(2,201,608)	157.38%	Taxes Accrued	(3,430,737)	(149,762)	4.34%
(60,799)	(21,284)	(39,516)	185.66%	Tax Collections Payable	(32,202)	(28,598)	88.81%
(68,698)	(63,529)	(5,169)	8.14%	Interest Accrued	(180,059)	111,362	-61.85%
(11,972,799)	(11,723,305)	(249,494)	2.13%	Misc Current & Acct Liab.	(6,295,530)	(5,677,269)	90.18%
0	0	0	0.00%	Accum Prov for Benefits	0	0	0.00%
(29,748,651)	(22,869,917)	(6,878,734)	30.08%	Current Liabilities	(24,398,714)	(5,349,937)	21.93%
(6,575,042)	(6,639,604)	64,563	-0.97%	Customer Advances for Const	(6,395,372)	(179,670)	2.81%
(15,718,654)	(7,980,487)	(7,738,167)	96.96%	Accum Deferred Income Taxes	(7,980,487)	(7,738,167)	96.96%
(37,267)	(38,947)	1,680	-4.31%	Accum Deferred Investm Tax C	(46,618)	9,351	-20.06%
0	0	0	0.00%	Notes Payable to Assoc Co's	0	0	0.00%
0	0	0	0.00%	Other Deferred Credits	0	0	0.00%
(104,431)	(104,431)	0	0.00%	Other Regulatory Liabilities	(104,431)	0	0.00%
0	0	0	0.00%	Contrib in aid of Construction	0	0	0.00%
(22,435,394)	(14,765,470)	(7,671,924)	51.97%	Total Long Term Liabilities	(14,526,908)	(7,908,486)	54.44%
(49,129,048)	(35,364,784)	(13,764,264)	38.92%	Total Liabilities	(41,016,778)	(8,112,270)	19.78%

Citizens Utilities Company and Subsidiaries
 Regulatory Income Statement for Santa Cruz County Gas to Northern Arizona Gas
 For the Period Ending December 31, 2002

January - December	Total Revenues
-88,861,167	** Total Revenue
78,718,888	** Operations Expense
2,010,294	** Maintenance Expenses
80,729,182	*** Total O & M Expense
8,835,859	** Depreciation
5,128,452	** Taxes Other Than Income
5,832,526	**** Net Operating Income
-105,766	** AFUDC
-1,623,518	** Misc Nonoperating Income
1,350,841	** Other Income Deductions
-378,444	*** Other Income and Deductions
-818,325	** Interest Expense
-4,635,558	**** Income before Income Taxes
-1,582,024	** Income Taxes
-3,053,534	***** Net Income
-3,053,534	** Reg func not included in row blo
0.00	***** Net Income after check